

HOUSE BILL No. 1026

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-21.3.

Synopsis: Payments in lieu of taxes. Requires the department of natural resources to make a semiannual payment in lieu of property taxes (PILOT) based on an assessed value of \$1,050 per acre for land owned or leased by the department. Makes an annual and continuing appropriation for a PILOT from the state general fund.

Effective: March 1, 2005 (retroactive); July 1, 2005.

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January 4, 2005, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1026

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-21.3 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 MARCH 1, 2005 (RETROACTIVE)]:

4 **Chapter 21.3. Payments in Lieu of Property Taxes**

5 **Sec. 1. As used in this chapter, "department" refers to the**
6 **department of natural resources.**

7 **Sec. 2. As used in this chapter, "PILOT" refers to a payment in**
8 **lieu of taxes.**

9 **Sec. 3. A county is entitled to a PILOT from the department for**
10 **land within the county that is:**

11 (1) owned or leased by the department on March 1 of the
12 previous year; and

13 (2) exempt from the payment of property taxes.

14 **Sec. 4. On May 1 and November 1 of each year, the department**
15 **shall make a PILOT to each county that is entitled to receive a**
16 **PILOT under section 3 of this chapter.**

17 **Sec. 5. The PILOT required to be paid for a year under section**

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4 of this chapter for land described in section 3 of this chapter, regardless of how the land is used, equals the product of:

- (1) one thousand fifty dollars (\$1,050);
- (2) the number of acres subject to the PILOT; and
- (3) the net property tax rate (after application of the property tax replacement credit) in the taxing district in which the land is located for property taxes payable in the year in which the PILOT is payable.

Sec. 6. (a) Not later than September 1 of each year, the auditor of state shall provide the township assessor of each township in which land described in section 3 of this chapter is located with a report of:

- (1) the number of acres of land described in section 3 of this chapter that are located in the township; and
- (2) any other information required by the department of local government finance.

(b) The auditor of state shall provide the report required by subsection (a):

- (1) on a form prescribed by the department of local government finance; or
- (2) with the consent of the department of local government finance, in an electronic format.

Sec. 7. A PILOT:

- (1) is billed;
- (2) is due;
- (3) bears interest if unpaid; and
- (4) is distributed to a political subdivision within a county; in the same manner as ad valorem property taxes. A PILOT is otherwise treated in the same manner as an ad valorem property tax for purposes of the procedural and substantive provisions of law.

Sec. 8. The department of local government finance:

- (1) shall prescribe a form for the transfer of information required under section 6 of this chapter; and
- (2) may adopt standards for the reporting of information under section 6 of this chapter that are necessary to assist:
 - (A) townships;
 - (B) counties; and
 - (C) conservancy districts;
 with the implementation of this chapter.

Sec. 9. (a) The PILOT transfer fund is established to provide money for the distributions for PILOTS made by the department

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1 under section 4 of this chapter. The auditor of state shall
2 administer the fund.

3 (b) The expenses of administering the fund shall be paid from
4 money in the fund.

5 (c) The treasurer of state shall invest the money in the fund not
6 currently needed to meet the obligations of the fund in the same
7 manner as other public money may be invested.

8 (d) Money in the fund at the end of a state fiscal year does not
9 revert to the state general fund.

10 Sec. 10. There is annually appropriated from the state general
11 fund to the PILOT transfer fund established by section 9 of this
12 chapter the amount necessary to make the distributions required
13 by this chapter.

14 Sec. 11. There is continuously appropriated from the PILOT
15 transfer fund established by section 9 of this chapter an amount
16 necessary to make the distributions required by this chapter.

17 SECTION 2. [EFFECTIVE JULY 1, 2005] (a) A payment in lieu
18 of taxes is first due under IC 6-1.1-21.3, as added by this act, on
19 May 1, 2006.

20 (b) In cooperation with the auditor of state, the department of
21 local government finance shall, not later than August 1, 2005,
22 prescribe a form for the auditor of state to report the information
23 needed to carry out IC 6-1.1-21.3-6, as added by this act.

24 (c) This SECTION expires January 1, 2007.

25 SECTION 3. An emergency is declared for this act.

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